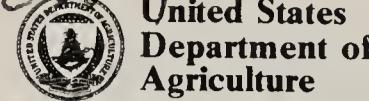


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Major News Releases and Speeches

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Testimony

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Testimony of John W. Bode, deputy assistant secretary for food and consumer services, U.S. Department of Agriculture, before the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition House Agriculture Committee, April 20.

Mr. Chairman, and members of the subcommittee, we appreciate the invitation to appear before you today to discuss the administration's legislative proposals for fiscal 1984.

At the outset, I want to assure this committee that the administration remains concerned about the nutritional well-being of low-income Americans and is committed to providing food assistance to those in need. The food stamp program continues to meet the challenges of difficult times. At the same time, we believe that further refinements will improve program performance and increase the return on the taxpayer's investment.

The food stamp program is the major nutrition assistance program for low-income people in this country. About 22 million people—nearly 8 million households - receive food stamps each month. Fully one of every 10 Americans participates in this important program. This program is the cornerstone of the federal food assistance programs. The administration's efforts have been directed toward slowing the growth rate in program costs while assuring benefits to the low-income population.

The food stamp program is targeted to those most in need and is "means-tested," with the income and financial situation of the recipient being the primary criteria for eligibility.

Some significant changes have been made in nutrition assistance programs since this administration came into office. They have been judicious changes, calculated to reduce the rate of program growth while continuing to protect those in need.

Legislation passed by Congress in 1981 and 1982 will reduce the rate of expenditure growth of the food stamp program in fiscal 1983.

This cost containment is achieved in five ways:

First, delayed cost of living adjustments result in slower growth.

Second, there is less waste. For example, households that apply for food stamps get only the food stamps they need for the number of days left in the month in which they apply, instead of enough food stamps for the whole month.

Third, there are tightened eligibility requirements. Most strikers and more students are now ineligible. Also, participation is limited to households with income below 130% of the poverty guideline—about \$12,000 per year for a family of four; previously, eligibility was based only on net income.

Fourth, savings accrue from the provision of a block grant for the Puerto Rico food stamp program, which has been designed by the Commonwealth, to more accurately reflect the needs of Puerto Rico.

Finally, reduced errors result from creating fiscal incentives for states to reduce error rates.

Despite these legislative changes in the past two years, food stamp costs have increased nearly 45 percent since 1980, rising from \$8.3 billion to \$11.8 billion in 1983. Without this administration's program changes in 1981 and 1982, the food stamp program would have grown 63 percent since 1980. The number of food stamp participants has grown nearly 14 percent (from 19.3 million to 22 million) during the period from fiscal 1980 to 1983. These numbers exclude Puerto Rico, since it now receives a block grant. This indicates the program is sensitive to economic conditions.

Since President Reagan took office, the food stamp program's average per person benefit amount and maximum allotment amount have grown faster than food price inflation. Per person benefits will be about \$42.67 per month for fiscal 1983, a rise of 24 percent from 1980 in nominal terms (a 4 percent rise in real terms). Participation is at an all time high.

Almost one in ten Americans receive food stamp program benefits. In order to meet the special needs of the elderly, eligibility criteria and benefit levels are calculated differently from the rest of the population. Their eligibility is based solely on net income, and they have more allowable deductions.

Furthermore, we have been able to maintain support for those in need during adverse economic times, without adding new, permanent

programs. In large measure, this is because the food stamp program has grown in response to unemployment levels as one of several programs providing benefits to almost everyone with income below 130 percent of the poverty guideline.

Administration's FY 1984 Proposals

Now I would like to briefly discuss the administration's fiscal 1984 proposals. The administration's proposals for modifying food assistance programs are consistent with the government-wide plan to delay cost-of-living adjustments by six months. This does not constitute a reduction in benefits but is a delay in implementing scheduled changes. This delay will not have a significant effect on food stamp allotments in fiscal 1984 because of the substantial reduction in the rate of inflation. Under our current assumptions, with food costs declining, the cost of the thrifty food plan for a family of four in June 1983 will be less than it was a year earlier. In subsequent years, the delay will result in additional savings.

Food Stamps

We are concerned about complications in the administration of the food stamp program which have contributed to increased error. Our food stamp quality control system indicates that approximately 10 percent of the program benefits are overpaid or issued to ineligible participants. That means we are wasting over \$1 billion a year in the food stamp program.

Therefore, the goals of our 1984 food stamp proposal are: (1) to streamline and simplify the program so that errors at certification can be reduced; (2) to revise the error sanction system so that we subsidize only 3 percent of state errors; (3) to improve the work policy in order to encourage employment.

Our 1984 proposed budget for the food stamp program would spend \$10.3 billion. This is \$750 million less than what the program would cost in 1984 if there were no changes. Over half of these savings (54 percent) are due to the proposed revision of state agency liability, and 25 percent are from simplified administration. Nine percent of the savings will come from proposed changes in program work experience

requirements, and 12 percent from reducing benefits or curbing the rate of program growth.

I think it's important to note that in FY 1984, 79 percent of the savings will come about by reducing misexpenditures rather than recipients' benefits. This proposed budget was designed to minimize the reduction of the average household's entitled benefits.

We propose to revise and simplify the program's system of deductions.

First, we would establish a standard/shelter deduction of \$140, adjusted April 1 of each year. It would replace the existing standard deduction and the itemized excess shelter expense deduction and would save \$121 million in erroneous payments.

Second, we would replace the itemized earned income deduction with a standard earned income deduction set at \$75 monthly per fulltime worker. The deduction for part-time work would be consistent with the AFDC standard for each state.

Third, we would retain the dependent care deduction so that households who need to pay for child care in order to work could claim up to \$115 a month as a deduction.

These proposals will help the food stamp eligibility worker by eliminating one of five possible deductions and six of ten computations. As a result, both errors and administrative burden would be reduced.

These proposals would achieve an estimated \$302 million in savings in fiscal 1984. Since about 40 percent of these savings come from simplification and error reduction, the impacts on households are not great—an average loss in benefits of 6-1/2 cents a day. Among households headed by women who have children, 13 percent will have no change while 46 percent will receive more benefits; the average change for these female-headed households will be a loss of only 2-1/2 cents a day.

We also propose to make households where all members receive Aid For Families With Dependent Children payments categorically eligible to receive food stamp benefits. This would simultaneously reduce error and free up staff time to be devoted to more error-prone cases.

For AFDC-only households, we would replace individual determinations of benefit levels with a simplified benefit determination

based on average food stamp benefits for AFDC households in each state. The benefits of average households would be unaffected by this proposal, which would save \$65 million in fiscal 1984 through simplification and error reduction. Twenty-five percent of the food stamp caseload is AFDC-only households.

Our proposal to consider persons who live together as one household for food stamp purposes would save an estimated \$60 million in fiscal 1984. Establishing and verifying who lives together is easier than determining who purchases and prepares food together. This proposal would eliminate eight of ten possible decisions for the food stamp case worker. Furthermore, it will eliminate certain cases of abuse.

Unrelated recipients can manipulate current rules and gain higher benefits by filing as separate households. Requiring all individuals living together to file as a single unit would end this abuse.

Fiscal 1984 savings would be increased by \$85 million by our proposal to require certain able-bodied persons to work in community work experience programs (CWEPP). This proposal, coupled with the job search requirement, would encourage the able bodied to find work in the private sector.

If no jobs are available, CWEPP participants would perform useful work which meets community needs. We believe that a community work experience program provides benefit recipients with valuable job skills and work experience; it encourages the transition to economic independence; it fosters an equitable system by requiring work of those who can work; and it provides a return to the community for benefits received.

Our proposed changes for fiscal 1984 will increase the states' opportunities to reduce errors. An additional incentive is needed to reduce state errors from their unacceptably high levels. Since food stamp funds are exclusively federal dollars, states lack a strong incentive to improve administration. Error rates are lower in both AFDC and Medicaid, where states share in program costs.

We propose to establish state liability for the value of eligibility or over-issuance errors above a 3 percent tolerance level. This will save an estimated \$405 million in fiscal 1984.

The administration's proposal to revise the error sanction system provides a stronger incentive for error reduction. It places fiscal responsibility for incorrect eligibility and benefit determinations with those in a position to take corrective action. It also conforms the error tolerance level with that of the AFDC and Medicaid programs.

Our 1984 food stamp proposals will simplify administration of the program, reduce error, provide incentives to obtain employment and curb the rate of benefit growth.

Summary

In summary, I think you can see the common sense in this budget. It responds to the compelling need for the reduction of unnecessary expenditures in order to limit a serious deficit. Our food stamp budget proposals do this by streamlining program operation while reducing errors and abuses.

We believe that this legislative package is a positive effort to improve program operations at all levels of government.

We look forward to working with this committee on our proposals.

This concludes my statement. I will be glad to answer any questions you may have at this time.

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Testimony of Richard E. Lyng, deputy secretary of agriculture, before the House Ways and Means Committee Subcommittee on Trade, April 21.

Mr. Chairman, I appreciate the opportunity to discuss our agricultural trade relations with Japan, a most important customer for American agriculture as well as a sturdy ally in this Nation's foreign affairs.

Japan is our largest single country export market for farm products. In 1982, exports to Japan totaled \$5.5 billion or about 15 percent of total exports of \$36.6 billion. Japan is our top market for a number of agricultural commodities including feedgrains, soybeans, cotton, leaf tobacco, hides and skins, beef and fresh citrus.

Over the past years, Japan has been a steady and dependable market for our products, and we appreciate that. Our trade has helped reduce food prices for consumers in Japan, and it has contributed to farm income and created jobs both on and off the farm here at home. We value this trade highly, and we plan to remain the most dependable supplier of food, feed and natural fiber to Japan, and to the rest of the world as well.

As we look ahead into this decade, we would like to broaden our agricultural trade relationship with Japan to include more exports of high value products. Up until now, Japan has been a market primarily for raw commodities, such as grains, soybeans, cotton and leaf tobacco. We anticipate that these items will continue to be the big-ticket items in our trade relationship. However, we would like to reach agreement with Japan on expanding the trade in beef and citrus when our current agreement, which was negotiated at the close of the Multilateral Trade Negotiations, expires March 31, 1984.

The trade in beef, oranges and citrus juice is important to us. Exports of these products to Japan in 1982 totaled \$378 million. We have good reason to believe, however, that the Japanese market holds even greater potential for our oranges and high quality beef.

Last October, we began talks with the government of Japan about the future of our beef and citrus trade. At those talks in Honolulu, both had the opportunity to stake out their opening positions. We were successful in impressing the Japanese with the seriousness of our concerns about import quotas and high tariffs on beef and citrus. Since then, the subject of beef and citrus trade has demanded the attention of top policy makers in Japan and the United States.

We are now awaiting a serious trade expansion proposal from the Japanese that will enable us to resume our talks. We have stated that Japan should eliminate its restrictions on imports of beef and citrus. We sincerely believe that some barriers could be eliminated when the MTN agreements expire next year, but we recognize that the removal of other barriers may require more time.

Time has about run out on our trade dispute with Japan on leather. Because of Japan's refusal to consider any fundamental changes, now or ever, to the complex system of protectionist barriers surrounding the

Japanese tanning industry, we have been seeking resolution of this issue in the GATT.

In addition to beef, citrus, and leather, there remain other trade issues outstanding on our agenda for the 1980's. These include quotas on a number of other agricultural products, high tariffs such as those on lumber and forest products, and exclusive standards and narrowly-drawn food health and quarantine laws which prohibit sale of numerous processed foods and fresh fruits and vegetables in Japan.

In government-to-government talks to date, we have convinced the Japanese government to take certain remedial measures to shore up the foundation of the free trade system, which has been endangered by erosion from a protectionist onslaught in recent years. These include reduction of duties on cigarettes, chocolate confections, cookies, numerous horticultural products, vegetable oils and animal fats.

Many of these reductions were negotiated in the MTN to be fully implemented by 1987. By advancing the date of implementation, Japan has demonstrated good faith in its efforts to address complaints about the closed nature of the Japanese market to value-added and consumer-ready goods.

The Japanese government also clarified quota levels for a number of agricultural products including peanuts, dry beans and peas, non-citrus juices, fruit purees and paste, and tomato sauce and ketchup.

While this will be helpful, we are disappointed that the government of Japan did not undertake a more fundamental relaxation of the quota system.

Finally, in March the Japanese government announced the completion of a review of standards and certification systems with an eye to bringing Japanese law into greater harmony with international standards. This is encouraging since the thicket of health, labeling, quarantine and standards regulations very often ensnares our processed food at ports of entry.

The most welcome developments for agriculture are (1) the promise to take steps to approve new food additives, (2) the adoption of a new standard on plywood, and (3) the general promises to improve transparency in drafting regulations, to increase use of foreign test data and international standards, and to simplify import clearance procedures.

I would be less than candid, however, if I did not say that the government of Japan's perception of how to deal with our trade problems has not generally coincided with ours. Whereas we have proposed quick, direct action to alleviate discrimination against imported products, Japan has frequently denied that such discrimination exists, then underestimated its severity, then overestimated the negative side effects of corrective action, and then applied only as much relief as would make Japan comparable with other leading importing countries.

After all this is said and done, the opportunity for Japan to join us in leadership in support of free trade has been squandered, but at the same time the Japanese media have cast Japan in the role of caving in to U.S. demands.

Our close partnership has been made to appear to be an adversary relationship.

The government of Japan's approach can be explained partly by the intense opposition to trade expansion by Japan's farm and agri-business establishment. Thousands of Japanese farmers have marched by our embassy in Tokyo protesting any further growth in beef and citrus imports. A postcard campaign which recently swamped our embassy with protest notes would be the envy of any U.S. mail campaign specialist.

Under this intense pressure, 85 percent of the parliamentary members of the ruling Liberal Democratic Party have signed a statement opposing "liberalization" of beef and citrus imports and any expansion of quotas. Japan's other political parties also generally line up behind the farm lobby.

Taking the lead on agricultural trade expansion is therefore a risky business for the Japanese politician. The temptation to use the excuse of pressure from the United States is overwhelming when action for Japan's own good, but in opposition to the wishes of Japan's farmers, is required. Consequently, we are trying our best to be understanding, but our patience is being severely tested.

We do not intend, however, to lecture Japan on the correct approach to adjusting domestic agricultural production to the realities of the marketplace.

We intend to assure the Japanese government and people that increased imports will not endanger Japan's food security. Food security is an important element in the agricultural policy of every country, but it is not necessarily achieved by protectionism which encourages the misallocation of productive resources and rewards inefficiency on the farm.

Finally, we intend to impress upon Japan's lawmakers that when they are drafting laws to shape the future of Japanese agriculture, they should remain mindful of the trade implications and Japan's GATT obligations.

In conclusion, Mr. Chairman, I would like to repeat that the agricultural trading relationship with Japan over the years has been of tremendous value to America's farmers and agri-businesses. This relationship is not going to be soured by any outstanding trade issues. These will be resolved in a fair and just way. We are always willing to sit down with our counterparts in the Japanese Ministry of Agriculture, Forestry and Fisheries to work out our differences and examine each other's solutions.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA AND HHS APPOINT NINE SCIENTISTS TO REVIEW PANEL ON DIETARY GUIDELINES

WASHINGTON, April 15—Assistant Secretary of Agriculture Mary C. Jarratt said today nine scientists will review comments on "Nutrition and Your Health, Dietary Guidelines for Americans."

"The committee will review and consider comments that have been made on the publication and review scientific literature related to the guidelines," Jarratt said. The U.S. Department of Agriculture and the U.S. Department of Health and Human Services first published the dietary guidelines in February 1980.

The nine-member committee was appointed by officials of USDA and HHS.

Jarratt said committee members are expected to meet within the next six to eight weeks.

Committee members are:

Bernard Schweigert of the University of California at Davis, chairman; Henry Kamin, Duke University, Durham, N.C.; David Kritchevsky, Wistar Institute, Philadelphia, Pa.; Robert Levy, Tufts University, Medford, Mass.; Sanford Miller, U.S. Food and Drug Administration, Washington, D.C.; Robert Olson, University of Pittsburgh; Lester B. Salans, National Institutes of Health, Washington, D.C.; Frederick Stare, Harvard University, Cambridge, Mass.; and Judith Stern, University of California at Davis.

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FmHA FUNDS MADE AVAILABLE FOR OPERATING LOANS

GALESBURG, Ill., April 15—Secretary of Agriculture John R. Block today said he will re-allocate \$400 million in lending authority to the Farmers Home Administration's operating loan program to satisfy an immediate need farmers have for such loans.

"This interchange will come from programs with a less urgent and immediate need," Block said. "Without a doubt, farmers who are preparing to plant this year's crops will have the most pressing needs throughout the next several weeks."

Block is using the secretary of agriculture's interchange authority to deal with the urgent need. That authority allows funds to be transferred between USDA programs in cases of extraordinary emergency.

"It is clear that the urgency to provide operating credit to farmers constitutes such an emergency," Block said.

He said the interchange includes \$75 million from FmHA water and sewer grants, \$100 million from the FmHA farm ownership program, and \$225 million from FmHA water and sewer loan funds.

The interchange became necessary after 17 states exhausted their allocations of FmHA operating loans. Block said FmHA offices in these states continued to accept loan applications while the administration reviewed the options available to assure that farmers would receive funding for their production expenses.

"Today I have directed FmHA Administrator Charles Shuman to resume funding these loans," Block said. "Funds will be available for those farmers who meet our established criteria. I have directed Mr. Shuman to have his agency move expeditiously to make these loans available."

#

USDA CHANGES WITCHWEED REGULATED AREAS IN NORTH AND SOUTH CAROLINA

WASHINGTON, April 18—Areas in North Carolina and South Carolina regulated to prevent spread of witchweed—a destructive weed found only in those two states—have changed, a U.S. Department of Agriculture plant protection official said today.

Witchweed is a parasitic plant that attacks corn, sorghum and certain other crops. It attaches itself to roots of a host plant, sapping it of needed nutrients and moisture.

Paul Sand, an official with USDA's Animal and Plant Health Inspection Service, said regulated areas may vary in size from a single

farm to an entire county. Regulations restrict the movement of products or equipment that could spread witchweed.

Sand said as a result of suppressive work, parts of nine counties in North Carolina and three in South Carolina which had been infested are now free of witchweed. Regulations have been lifted from parts of Columbus, Cumberland, Duplin, Hoke, Lenoir, Onslow, Richmond, Scotland and Wayne counties in North Carolina and Darlington, Florence and Horry counties in South Carolina.

"Some new infestations also have been found," Sand said. "The newly affected areas are being brought under regulation. They include parts of Cumberland, Duplin, Harnett, Johnston, Lenoir, Pender, Richmond, Scotland and Wayne counties in North Carolina and Darlington county in South Carolina."

Comments may be sent until June 17 to Tom Gessel, Regulatory Coordination Staff, Plant Protection and Quarantine, APHIS, USDA, Room 728 Federal Bldg., 6505 Belcrest Rd., Hyattsville, Md., 20782.

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MAJOR WHEAT EXPORTING COUNTRIES TO MEET IN U.S.

WASHINGTON, April 18—The United States will host a meeting of policy-level representatives of major wheat exporting countries in Natchez, Miss., April 27-28.

Acting Under Secretary of Agriculture Alan T. Tracy, who is scheduled to lead the U.S. delegation, said senior government officials from Argentina, Australia, Canada and the European Community will attend.

The meeting is one of a series held once or twice a year to exchange views on the world wheat situation and on issues and policies affecting production and trade. The last meeting was in Ottawa, Canada, in April, 1982.

Tracy said discussions are expected to include the world supply-demand situation and outlook, domestic and export policy developments in the major exporting countries, and related matters,

such as the prevalence of subsidies and other competitive market practices.

He said details are being worked out for a one-day post-conference tour of agricultural areas, a customary part of the exporter meetings.

#

WESTERN U.S. TO HAVE ADEQUATE TO EXCELLENT SUMMER WATER SUPPLY

WASHINGTON, April 19—Water supplies should be adequate to excellent for much of the West this summer, despite below-normal snowpack in portions of Idaho, Wyoming and Montana.

No major water shortages are anticipated anywhere in the region, according to a forecast issued jointly today by the U.S. Department of Agriculture and the National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

March brought heavy precipitation to much of the West, particularly California, Nevada, Arizona, Utah and New Mexico.

"Mountain snowpacks set record highs in the Sierras in California and Nevada, as well as part of southern Utah and northern New Mexico," said Peter C. Myers, chief of USDA's Soil Conservation Service. "Flooding may occur in some low-lying areas."

Reservoir storage remains good to excellent and should offset most water shortages. Reservoir storage ranges from 6 percent above normal in Montana and Nevada to 198 percent of normal in New Mexico.

Myers gave this April 1 outlook by states:

Alaska: Snowpack is below normal in the Brooks Range and southwestern regions. Near normal snowpack exists in the interior.

Arizona: Spring runoff is forecast to range from 200 to 400 percent of normal.

California: Near record runoff is expected due to heavy rains and much above normal snowpack. Flooding is a concern in some drainages.

Colorado: Heavy March snowfall has improved the outlook statewide. An adequate water supply now is anticipated.

Idaho: Streamflow forecasts range from below normal in the northern Panhandle to much above normal in southern Idaho. Potential

flooding exists in the Weiser and Henry's Fork drainages as snowmelt begins.

Montana: Water supplies will be 70 to 90 percent of normal. Reservoir storage will be needed to supplement surface runoff.

Nevada: A record-setting snowpack is on the east slope of the Sierras. The snowpack is 200 percent of normal statewide. Runoff will be excellent. Flooding may occur along the Carson and Walker rivers.

New Mexico: Snowpack is 186 percent of normal statewide. Snowmelt runoff forecasts are excellent on the Rio Grande.

Oregon: Near record snowpack exists in southern Oregon. March precipitation was two to three times normal. Many reservoirs are full or nearly full.

Utah: Streamflow is expected to range from 80 percent of normal in extreme northern Utah to 500 percent of normal on the Lower Beaver River in southern Utah. Flooding is expected around the shores of Great Salt Lake and Utah Lake.

Washington: Snowpack generally is normal statewide. Reservoir storage is 117 percent of normal. Water supplies should be adequate statewide.

Wyoming: March storms improved the mountain snowpack in the North Platte Basin to near normal levels. Elsewhere, snowpack remains below normal. Spring runoff generally is expected to be below normal.

Snowpack in the West usually reaches its maximum by April 1. This water outlook is based on the assumption that spring weather will be near normal, Myers said.

USDA's Soil Conservation Service and National Oceanic and Atmospheric Administration's National Weather Service jointly forecast streamflow at nearly 500 locations throughout the West each month from January through May.

#

USDA ISSUES HIGHLIGHTS OF STUDY ON FOREIGN OWNERSHIP OF U.S. AGRICULTURAL LAND

WASHINGTON, April 19—The amount of U.S. agricultural land owned by foreign interests rose from 12.5 million acres to 13.5 million

acres during 1982, according to Peter DeBraal, an economist with the U.S. Department of Agriculture's Economic Research Service.

He said the 13.5 million acres represents slightly more than 1 percent of U.S. agricultural land.

The 1982 total includes reports for 424,000 acres that had been acquired prior to 1982 but which were filed after last year's Dec. 31 cutoff date. These and other findings are based on an analysis of reports submitted to USDA under the Agricultural Foreign Investment Disclosure Act of 1978.

The filed reports indicate foreign owners plan to keep 92 percent of their acreage in agricultural production. They also reported no change in tenancy or rental arrangements on 42 percent of the acres, some change on 29 percent of the acres and "no response" for the remaining 29 percent, DeBraal said.

Additional details on foreign ownership of agricultural land follow:

- Forest land accounts for 55 percent of all foreign-owned acreage, cropland for 13 percent, pasture and other agriculture for 27 percent, and nonagricultural and unreported uses for 5 percent.

- Corporations own 83 percent of the foreign-held acreage; partnerships, 9 percent; and individuals, 6 percent. The remaining 1 percent is held by estates, trusts, associations, institutions and others.

- U.S. corporations with 5 percent or more foreign ownership reported owning 63 percent of all the foreign-held acreage. The remaining 37 percent is held by foreign persons not affiliated with a U.S. corporation.

- Some land is held only in part by foreign investors. These partial interests reduce the 13.5 million acres of foreign holdings of U.S. agricultural land to an equivalent of 12.1 million acres.

- Foreign persons from Canada, the United Kingdom, Hong Kong, West Germany and the Netherlands Antilles own 75 percent of the foreign-held acreage.

- The largest foreign-owned acreage was reported in Maine. Foreign holdings account for 14 percent of Maine's privately owned agricultural land. This extent of foreign holdings in Maine also represents about one-fifth of all the reported foreign-owned land nationwide.

Three large timber companies own 96 percent of the foreign-held acres in Maine. One company has only partial interests in 33 percent of the acres and the other two companies are U.S. companies which are partially foreign owned.

— Except for Maine, foreign holdings are concentrated in the South with 34 percent and the West with 31 percent. Rhode Island is the only state with no reported foreign-owned agricultural land.

Data gathering and analysis of foreign landholdings cost USDA about \$362,700 in 1982. In fiscal 1982 and the first quarter of fiscal 1983, USDA assessed 309 penalties for late filings, amounting to approximately \$520,000.

#

USDA TO PERMIT SOME IOWA CATTLE ON CONSERVATION USE ACREAGE

WASHINGTON, April 20—Iowa cattle producers will be permitted to transfer their cattle to land that later may be designated as "required conservation use acreage," Secretary of Agriculture John R. Block said today.

Block said the decision was made after the U.S. Department of Agriculture learned the death rate for cows and calves in Iowa due to heavy rains, snow and deep mud was about double the normal rate.

Under the decision, cattle producers may transfer livestock to conservation use acreage only when no other land on the farm is available to free the cattle from critical hazardous conditions resulting from adverse weather, Block said.

Authorization for moving cattle in Iowa from flooded or muddy feedlots or confinement areas onto dryer conservation use land may be approved for a two-week period that does not extend beyond May 1. This decision does not waive the requirement for a non-grazing period, Block said.

Under acreage reduction programs announced earlier this year, participating farmers normally would not be permitted to graze livestock on conservation use acreage during the six principal growing months for the crop taken out of production.

Block said Iowa cattle producers who have a weather-caused problem and who wish to move or have moved their cattle onto conservation use acreage should immediately contact their local office of USDA's Agricultural Stabilization and Conservation Service to obtain permission to use the acreage for holding livestock until conditions improve.

#

PSEUDORABIES PILOT PROJECTS SET FOR ILLINOIS AND IOWA

ROCKFORD, Ill., April 22—Secretary of Agriculture John R. Block today said parts of Illinois and Iowa will test the feasibility of eradicating pseudorabies in swine.

Block said the pilot projects will be a cooperative effort of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service and state animal health officials.

"We're able to start these projects largely because of the strong support of swine producers," Block said. "A \$100,000 contribution by the National Pork Producers Council, together with state and federal funds, is making this possible."

USDA has \$400,000 available for the pilot projects.

John K. Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service, said the projects will involve herd testing and elimination of infection within Nacoupin and Pike counties, Ill., and Marshall county, Iowa.

In Illinois, federal and state veterinarians will test all herds within the project area and advise owners on pseudorabies eradication procedures, Atwell said. Clean up plans will be tailored to individual herd situations.

The Iowa pilot project will also involve areawide testing of herds, with emphasis on the use of vaccines as a means of limiting spread. Again, individual herd clean up plans will be devised, Atwell said.

Atwell also said USDA will provide limited assistance in Wisconsin, Pennsylvania and North Carolina, where pseudorabies pilot eradication programs are being considered.

"USDA will assist these states to the extent that funds and personnel are available," he said.

Pseudorabies, also known as Aujeszky's disease or "mad itch," is a virus disease that is highly fatal to newborn pigs. It can be transmitted to most other warmblooded animals except humans. Swine are the natural host and, once infected, can become carriers of the disease and shed the virus when they become stressed.

Vaccines are available that help minimize losses from the disease, Atwell said. However, they may not prevent infection and currently tests do not distinguish between vaccinated and infected swine.

#

HIGHER FRESH VEGETABLE PRICES PUSH UP MARCH CPI FOR FOOD

WASHINGTON, April 22—Food prices in March rose 0.5 percent before seasonal adjustment, and were 2.7 percent above March a year ago, according to the monthly consumer price index released today by the U.S. Department of Labor.

According to Assistant Secretary of Agriculture William Lesher, prices for food bought in grocery stores rose 0.6 percent in February and were 1.7 percent above March 1982. Prices for food away from home rose 0.4 percent in March and were 4.7 percent above a year ago.

"Much of the change in the CPI for food last month was due to increases in fresh vegetable prices," Lesher said. "Retail tomato prices increased 33 percent from February to March. The CPI for other vegetables also increased 6 percent.

"Rain and cool weather have hampered fresh vegetable production in many growing areas and supplies have tightened considerably. Nevertheless, many fresh vegetable prices were still below March 1982 levels," Lesher said.

While egg prices increased sharply, meat prices declined slightly in March. Pork prices declined nearly 1 percent, due to increased production. Beef and veal prices remained near February levels as did poultry prices. Meat prices were 3.5 percent above March of last year.

First quarter 1983 food prices were less than 1 percent above fourth quarter 1982, and 2.4 percent above the same period a year ago. This trend is expected to continue through 1983, and is expected to result in a 2 to 4 percent increase in food prices for the year. This could be the smallest food price rise in more than 15 years, Lesher said.

March Retail Food Prices, Percent Change for Selected Items

Items	February to March		March 1982 to March 1983
	Not seasonally adjusted	Seasonally adjusted	
<i>Percent change</i>			
All food	0.5	0.6	2.7
Food away from home	0.4	0.2	4.7
Food at home	0.6	0.9	1.7
Meats	-0.1	-0.1	4.4
Beef and veal	0.2	-0.1	0.4
Pork	-0.9	-0.3	13.2
Other meats	0.2	*	2.8
Poultry	-0.2	*	-0.5
Eggs	3.4	7.7	-10.3
Fish and seafood	0.2	-0.1	1.0
Dairy products	0.0	*	1.3
Fats and oils	0.2	*	-0.5
Cereals and bakery products	0.4	*	3.0
Fruits and vegetables	3.2	4.4	-2.1
Nonalcoholic beverages	0.1	0.3	1.9
Sugar and sweets	0.6	*	2.0
Other prepared foods	0.3	*	3.6

* A seasonally adjusted index is not available for these items.

KANSAS FIRM RECALLS MORE SALAMI BECAUSE OF GLASS FRAGMENTS

WASHINGTON, April 22—OHSE Meat Products Inc., Topeka, Kan., is recalling 123,000 pounds of cooked salami in a 12-state area because of minute glass fragments found in samples of unopened bags of the spice mixture used in the product, U.S. Department of Agriculture officials said today.

The firm recalled about 18,000 pounds of cooked salami in nine states in March after finding glass fragments in the product, according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

OHSE began a voluntary recall April 15 of all 6-ounce, 12-ounce, 1-pound and 3-pound sliced cooked salami marketed under the OHSE, Brookshire, County Fair, Good Value, IGA and Shurfresh brands. The product can be identified by the brand names, the "sell by" dates of June 15 or earlier and the processing plant identification number, "EST. 5539," according to Houston.

The product has been distributed in Arkansas, Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, New Mexico, Oklahoma, Texas and Wyoming.

In addition, OHSE is also recalling a 10-pound bulk salami it sells to other companies, which slice and package it under their own brands.

"Anyone who has the suspect salami should return the product to the store where it was purchased," Houston said.

"OHSE's recall encompasses all cooked salami the company produced from Jan. 19 through April 4," Houston said. "These dates reflect the time during which the company used the contaminated spice mixture."

USDA has not determined whether consumer complaints in March were prompted by glass originating in the spice mixture since the glass found in March differs significantly in size from that involved in today's recall, Houston said.

Houston said OHSE bought the spice mixture from a supplier. The Food and Drug Administration is investigating to determine the source of the glass contamination. OHSE apparently was the only company that received the contaminated mixture.

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Backgrounder

U.S. Department of Agriculture • Office of Governmental and Public Affairs

TIMBER SUPPLY

Although, due to the recession, demand for timber is reduced over the short term, the nation must take steps now to meet projected future demand for wood products, which is projected to increase substantially. The long-term prospects, as described in the U.S. Department of Agriculture's Forest Service's latest assessment, shows rising population and income will increase housing demand by 50 percent in the next five decades. A surge in homebuilding is expected to provide a substantial part of that increase by the beginning of the next decade. In addition, worldwide demand for American wood is expected to grow. U.S. exports of forest products amounted to \$8 billion in 1981, the latest year for which data are available. Just last year, we established a small staff in the USDA's Foreign Agricultural Service to help the forest products industry increase this export figure.

The United States is blessed with a large, highly productive land base for growing wood. It is capable of meeting all our foreseeable needs if a greater percentage of productive potential is achieved. This means both intensifying our forestry practices to increase the amount of wood grown, and continued research and development to make better use of wood we have available.

USDA's policy is to promote both efforts through the Forest Service, which is charged with national leadership in forestry. It is intensifying forestry practices on the 89 million acres of National Forest lands capable of commercial volumes of timber, e.g. more rapid reforestation, replanting with genetically superior tree stock, harvesting of slow-growing mature stands and restocking them immediately. USDA also is giving major attention to nonindustrial private forest land which has the greatest potential for increasing wood volumes. This private sector controls 58 percent of the nation's commercial forest land. Both technical and financial assistance is being offered by USDA to increase growth and improve manufacture and marketing. Through its Forest Service, USDA also conducts one of the largest forestry research organizations in the world. Its findings in forest management and improved manufacturing techniques are immediately made

available to all segments of the forest growing and wood products manufacturing community.

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